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SENATE

REPORT
101-401

MAKING AMENDMENTS TO THE AMERICAN INDIAN, ALASKA NATIVE, AND NATIVE HAWAIIAN CULTURE AND ART DEVELOPMENT ACT, AND FOR OTHER PURPOSES

JULY 30 (legislative day, JULY 10), 1990.—Ordered to be printed

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Mr. INOUYE, from the Select Committee on Indian Affairs, submitted the following

REPORT

[To accompany H.R. 5256]

The Select Committee on Indian Affairs, to which was referred the bill (H.R. 5256) to make amendments to the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act, and for other purposes, having considered the same, reports favorably thereon with amendment(s) and recommends that the bill (as amended) do pass. The amendments are as follows:

1. On page 2, line 2, beginning with the word "investment", strike all through line 5 and insert in lieu thereof the following: "investment in obligations of the United States or obligations guaranteed as to principal and interest by the United States or by an agency of the United States, including short term obligations of the United States, for the purpose of maximizing the yield and liquidity of such funds."

2. On page 2, beginning with line 22, strike out all through line 4 on page 3.

3. On page 3, beginning with line 5, strike out all through line 12.

4. On page 5, strike lines 12 through 19 and insert in lieu thereof the following:

> (c) OTHER FEDERAL ASSISTANCE.—Funds received by the Institute pursuant to this Act shall not be regarded as Federal money for purposes of meeting any matching require-

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ments for any Federal grant, contract or cooperative agreement.

5. On page 5, on line 21, strike "518" and insert in lieu thereof "1518".

6. On page 6, line 1, delete the words "From the amount reserved" and insert in lieu thereof the following words: "From the total amount appropriated"

7. On page 3, line 134, strike out "Sec. 3." and insert "Sec. 2."

8. On page 4, line 4, strike out "Sec. 4." and insert "Sec. 3."

9. On page 5, line 8, strike out "Sec. 5." and insert "Sec. 4."

10. On page 5, line 20, strike out "Sec. 6." and insert "Sec. 5."

11. On page 11, line 7, strike out "Sec. 7." and insert "Sec. 6."

12. On page 2, line 16, strike "(1)".

PURPOSE

H.R. 5256 contains provisions to amend the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act of 1986.

BACKGROUND

The 1986 Act authorized a transfer of control and direction of the Institute of American Indian Arts in Santa Fe, New Mexico, from the Department of the Interior to a Presidentially appointed Board of Trustees. The Institute has long been the leading institution of its kind in preserving and fostering Native American arts. Since control of the Institute was transferred in June 1988, enrollment has increased by more than 50 percent and new programs have been instituted. In addition, under the direction of the new Board, the Institute has been able to attract significant financial support from the private sector to enhance its program and to increase its outreach in both the Indian and non-Indian communities.

LEGISLATIVE HISTORY

Representative Kildee introduced H.R. 5256 on July 12, 1990. It passed the House without a hearing on July 16, 1990, and was referred to the Senate Select Committee on Indian Affairs on July 17, 1990.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTE

The Select Committee on Indian Affairs, in open business session on July 25, 1990, by unanimous vote, recommends that the Senate pass H.R. 5256, with amendments.

SECTION-BY-SECTION ANALYSIS OF H.R. 5256 AS AMENDED

Section 1(a) amends 507(a)(12) of the Act to give the Board authority to invest any appropriated funds in obligations of the United States or obligations guaranteed by the United States. As passed by the House, the bill would have permitted investment of any Federal money without regard to any other provision of law. The Committee appreciates the need for flexibility in investment, both short and long term, by the Board but is of the view that a complete waiver of laws applicable to investment of federally ap-

propriated funds is not required to insure higher returns and liquidity of funds. The section also clarifies that interest on earnings of such invested funds may be used by the Institute to carry out its purposes.

Section 1(b) amends 1507(a)(11) to expand the authority of the Institute to purchase property and liability insurance. The Committee deleted a provision of the House passed bill which would have required the Attorney General to issue an opinion on the applicability to the Institute of Federal laws providing protection against loss and liability. Such an opinion should be issued without the necessity of a statutory directive.

The Committee also deleted a provision of the House bill that would have authorized the President of the Institute to fix the salaries of officers and employees at rates comparable to those of similar institutions of higher education. As with most Federally authorized institutions, the officers and employees of the Indian Art Institute are paid at rates comparable to the rates in effect under the General Schedule for persons with comparable qualifications and holding company positions. The Committee notes the dire need for Federal pay reform and acknowledges the work being done toward this end by the legislative Committees of the House and Senate and by the Office of Personnel Management. Since pay reform is imminent, the Committee believes it is best to keep the Institute in conformance with other independent Federal agencies.

Section 2 amends 1510(b) of the Act to clarify that the President of the Institute shall give direction to the Museum of American Indian and Alaska Native Arts.

Section 3 adds a new subsection to section 1514 of the Act to clarify that the Institute is responsible only for any requirements or actions that occurred after the transfer in June 1988 and provides that the Institute is held harmless from any prior obligations or actions, the responsibility for which remains with the Department of the Interior, Bureau of Indian Affairs.

Section 4 adds a new subsection (c) to section 1517 of the Act to clarify that funds received by the Institute through its regular appropriation will not be considered Federal funds for purposes of matching requirements of other laws. The Committee amended this section slightly from the House-passed bill to more accurately reflect the intent of the section.

Section 5 splits the endowment program of section 1518 into two parts: a program enhancement endowment and a capital improvement endowment. In addition, this section clarifies that in-kind contributions may count toward matching requirements, that interest earned from endowment funds may be used as part of the non-Federal match, and that the Federal share of the principal of the construction endowment may be removed and used without penalty.

Section 6 amends section 1531(a) of the Act by providing for expeditious transfer of appropriated funds to the Institute by the Secretary of the Treasury and by authorizing forward funding.

COST AND BUDGETARY CONSIDERATIONS

The cost estimate of H.R. 5256, as amended, as evaluated by the Congressional Budget Office, is set forth below:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 27, 1990.

Hon. DANIEL K. INOUYE,
Chairman, Select Committee on Indian Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has examined the cost impact of H.R. 5256, a bill to amend the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act, as ordered reported by the Senate Select Committee on Indian Affairs on July 25, 1990. This bill codifies the action of the federal government in dispersing funds to the Institute of American Indian and Alaska Native Culture and Arts Development. CBO estimates this bill to have negligible effects on the federal budget and no effects on the budgets of state and local governments.

If you wish further details on this estimate, the CBO staff contact is Diane Celuch, who can be reached at 226-2800.

Sincerely,

ROBERT D. REISCHAUER,
Director.

REGULATORY IMPACT STATEMENT

Paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate requires each report accompanying a bill to evaluate the regulatory and paperwork impact that would be incurred in carrying out the bill. The Committee believes that H.R. 5256, as amended, will have minimal regulatory or paperwork impact.

EXECUTIVE COMMUNICATIONS

At the time of filing this report, the Committee had not received a report from any agency of the Federal government giving its views on H.R. 5256.

CHANGES IN EXISTING LAW

Section 12 of rule XXVI of the Standing Rules of the Senate requires that proposed changes in existing law to be made by a reported bill be enumerated in the report. In the opinion of the Committee, it is necessary to dispense with the requirements of this subsection to expedite the business of the Senate.

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